

# **ENVIRONMENTAL POLICY**

# Our Responsibility for the Environment

As a globally active company with over 170 affiliates and more than 20,000 employees<sup>1</sup>, Beiersdorf has a great responsibility towards everyone it employs, as well as to society and the environment. In an age characterized by huge environmental challenges such as the acceleration of global warming and the decline in natural resources, playing our part in combating climate change and limiting global warming is a top priority for us. This is why we continually optimize our business and production processes, with the constant goal of minimizing the impact of our activities on the environment. In addition, we support the United Nations Agenda 2030 for Sustainable Development and are making a significant contribution to achieving the UN Sustainable Development Goals (SDGs).

Within our Sustainability Agenda <u>CARE BEYOND SKIN</u>, in the <u>ENVIRONMENT</u> area we have defined the focus fields "Carbon Positive Future", "Fully Circular Resources", "Sustainable Land Use" and "Regenerative Water Environments". We want to ensure that we focus our sustainability engagement exactly where we as a company have the greatest leverage and can make a major difference. The Environmental Policy is an integral part of our <u>sustainability agenda</u> and forms the foundation for our environmental management. This Policy comprises topics that cover our entire value chain: These are regularly checked by our Sustainability team and developed further, to take account of relevant changes.

### Compliance

We are committed to full compliance with all environmental laws. Furthermore, we fulfill all corresponding international standards as well as the requirements of the <u>industry initiatives</u> to which we are a signatory. We work to these high standards right across our global organization, with no exceptions.

# **Eco-design of products**

We strive to minimize the ecological footprint of our products. We use a life cycle analysis to integrate environmental assessment into our product innovation process. This enables us to understand the respective environmental impact at an early stage and to take innovative measures to improve our product design.

#### **Avoiding environmental impacts**

We regularly monitor the composition of our emissions to air and our wastewater, as well as our noise emissions. We handle waste at our production sites responsibly to avoid impacts on the environment.

## Energy and greenhouse gas emissions

Beiersdorf contributes to the global effort to limit global warming to  $1.5^{\circ}$ C and we have set ourselves ambitious <u>climate targets</u> to achieve this. Amongst further measures we are driving the use of renewable energies, raising our energy efficiency, and reducing absolute  $CO_2$  emissions in our value chain.

### Responsible use of resources

We handle natural resources in full awareness of our responsibility and work intensively on innovative solutions to avoid, reduce, reuse and recycle our packaging. Wherever we can, we avoid generating waste completely. Should this be unavoidable, we find circular economy solutions in which material recycling takes priority. This also applies to waste packaging that arises once our products have reached the consumer.

## Use of water

As a skin care company both we and our consumers use water in a wide variety of ways. In view of this we continually work to reduce our water consumption in production, and to implement closed water cycles at our production sites.

<sup>&</sup>lt;sup>1</sup> For optimal legibility, this Policy uses the masculine or general forms of personal reference. All such references are naturally to be considered as fully gender-independent.



Where wastewater is unavoidable, we apply modern, highly effective processes to treat it. We carry out water risk analyses at all our production sites to mitigate identified water risks in a targeted way.

#### Responsibility in the supply chain

We require all our suppliers to comply with our environmental standards. Through the Business Partner Code of Conduct (<u>Business Partner-CoC</u>) we actively monitor their implementation and support them in improvement measures with the help of the collaboration platforms <u>Sedex</u> and <u>AIM-Progress</u>. This way we aim to promote the sustainable cultivation as well as the environmentally friendly and transparent sourcing of raw materials and packaging materials. All the ingredients we use are thoroughly tested in our product development processes for their compatibility with people and the environment.

#### **Employee engagement**

We see the active participation of our employees as a key element in our contribution to environmental protection. Through transparent communication and an open dialog between employees and top management we aim to enable every individual to actively co-shape daily business in our company and to implement their own ideas. We motivate and inspire all employees worldwide via campaigns and differing communication formats to engage personally and live out their responsibility to the environment and natural resources in their day-to-day work.

## Continual further development

We are committed to the continual improvement of our environment-related measures. To achieve this, we continually examine the effectiveness of our environmental management system in order to optimize it. Additionally, we report annually on our progress and our commitments related to environmental topics in our <u>Sustainability Review</u> and on our corporate <u>website</u>.

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ZHENGRONG LIU

Member of the Executive Board